

5 | In re:

6 BENYAM MULUGETA and
PAULA R. MULUGETA,

Case No. 09-51900

Chapter 11

San Jose, California
December 14, 2012
2:40 p.m.

Debtors.

1

12 | TRANSCRIPT OF PROCEEDINGS

- a) NOTICE OF STATUS CONFERENCE IN CHAPTER 11
 - b) MOTION TO CONVERT CASE TO CHAPTER 7 FILED BY OFFICE OF THE U.S. TRUSTEE
 - c) JOINDER IN MOTION BY STERLING SAVINGS BANK
 - d) JOINDER IN MOTION BY LONE OAK FUND, LLC
 - e) JOINDER IN MOTION FILED BY WELLS FARGO BANK, N.A.
 - f) JOINDER IN MOTION FILED BY HENRY KOEHLER, et al.
 - g) OPPOSITION FILED BY DEBTORS
 - h) MOTION TO USE CASH COLLATERAL FILED BY BENYAM MULUGETA
 - i) OPPOSITION BY LONE OAK FUND, LLC
 - j) OPPOSITION BY HENRY C. KOEHLER, et al.
 - k) OBJECTION BY BANK OF AMERICA, N.A.
 - l) OBJECTION BY STERLING SAVINGS BANK
 - m) THIRD AMENDED DISCLOSURE STATEMENT FILED BY DEBTORS
 - n) OBJECTION BY BANK OF AMERICA, N.A.
 - o) OBJECTION BY COUNTY OF ALAMEDA TREASURER-TAX COLLECTOR
 - p) OBJECTION BY WELLS FARGO BANK, N.A.
 - q) MOTION TO DISMISS CASE BY STERLING SAVINGS BANK
 - r) OPPOSITION BY DEBTORS

BEFORE THE HONORABLE ARTHUR S. WEISSBRODT
UNITED STATES BANKRUPTCY JUDGE

1 APPEARANCES:

2 For the Estate:

3 LAW OFFICES OF MARC VOISENAT
4 BY: MARC VOISENAT, ESQ.
1330 Broadway #734
Oakland, California 94612

5 (APPEARING TELEPHONICALLY)

6 For Sterling Savings:

7 ABBEY, WEITZENBERG, HOFFMAN,
WARREN, at al.
8 By: MITCHELL B. GREENBERG, ESQ.
P.O. Box 1566
9 Santa Rosa, California 95402

10 -and-

11 MacCONAGHY & BARNIER
12 BY: GREGORY BABCOCK, ESQ.
645 1ST Street West, Suite D
13 Sonoma, California 95476

14 For Bank of America:

15 MILES, BAUER, BERGSTROM & WINTERS
16 BY: BRIAN TRAN, ESQ.
1231 E. Dyer Road #100
Santa Ana, California 92705

17 (APPEARING TELEPHONICALLY)

18

19 For the U.S. Trustee:

20 OFFICE OF THE U.S. TRUSTEE
21 BY: JOHN WESOLOWSKI, ESQ.
22 280 S. First St. #268
23 San Jose, California 95113

24

25

1 APPEARANCES (CONTINUED) :

2

3 Court Recorder:

4

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1 P R O C E E D I N G S

2 December 14, 2012 2:40 p.m.

3 -00o-

4 THE COURT: On Mulugeta, I want the Debtors to go
5 back out of court and sit down and come back and be able to
6 tell me what properties they have, what properties they're
7 selling, and for each property, whether they're keeping it
8 or selling, what the value of the property is, what the
9 debt on the property is, and what the taxes on the property
10 are. The status conference statement does not do that.
11 The numbers have changed, and Debtors should talk to
12 counsel for the secured creditors before they come back
13 into court with all that information.

14 Now the Debtors say they're going to keep Grand,
15 and they said they're going to sell Grand. You can't do
16 both. Their statement says they're going to sell Grand;
17 they're going to list it for sale; and they're going to
18 keep it because they need the rents. You can't have it
19 both ways. So Debtors need to do all of that.

20 Thank you. Court is in recess.

21 THE CLERK: Please rise.

22 (Whereupon, extraneous matters are heard, and this
23 matter is recalled at 4:17 p.m.)

24 THE COURT: You should have all of that written
25 down, Mr. Mulugeta, what I told you, each number, and you

1 should work with the creditors to have each number that
2 they need to agree with or disagree with. It's okay if
3 they disagree, but they have to have each number that you
4 have.

5 (Whereupon, extraneous matters are heard, and this
6 matter is recalled at 4:43 p.m.)

7 THE COURT: Okay. Mulugeta.

8 MR. TRAN: Good afternoon, Your Honor, Brian Tran
9 on behalf of Bank of America.

10 MR. WESOLOWSKI: John Wesolowski for the U.S.
11 Trustee's Office.

12 MR. VOISENAT: Good afternoon, Your Honor, Marc
13 Voisenat on behalf of the estate.

14 MR. GREENBERG: Good afternoon, Your Honor, Mitch
15 Greenberg for Sterling Bank, creditor.

16 MR. BABCOCK: And good morning, Your Honor,
17 Gregory Babcock also for Sterling Bank.

18 THE COURT: It's not morning, Mr. Babcock, but
19 you're welcome.

20 MR. BABCOCK: I'm sorry. I apologize, Your Honor.

21 THE COURT: Okay.

22 MR. MULUGETA: Good afternoon, Your Honor, Benyam
23 Mulugeta.

24 MRS. MULUGETA: Good afternoon, Your Honor, Paula
25 Mulugeta.

1 THE COURT: All right. So let's start with
2 Harker, and Mr. Mulugeta, I don't see how you can do
3 anything without a lawyer here. You can't file a Plan; you
4 can't file a Disclosure Statement. You're making arguments
5 that don't make any sense. You're a very bright man, but
6 you're not a bankruptcy lawyer, and this is complicated and
7 I gave you this time to find a lawyer; you didn't do it,
8 and you're in trouble. So let's start with Harker. Harker
9 is your residence. Now you said that you have a motion to
10 modify with the first deed of trust. Who holds the first
11 deed of trust on Harker?

12 MR. MULUGETA: Chase.

13 THE COURT: Chase. Is Chase represented here
14 today? No. Normally, my understanding from being in court
15 and listening to what the lawyers say and what the
16 creditors say, is that a first won't give you a mortgage
17 modification unless it takes care of all subordinate liens.
18 So the idea that you're going to go to another lender and
19 try to get a separate mortgage modification with respect to
20 the second, third, and fourth doesn't make a lot of sense
21 to me, because I don't think the first will give you a
22 mortgage modification unless the others are taken care of,
23 and normally, it's my understanding that the first
24 basically honchoes the whole deal.

25 Now, I don't know what your understanding is.

1 What is your understanding about your pending mortgage
2 modification for the first?

3 MR. MULUGETA: They're asking to provide them all
4 the information. The only thing now is waiting for them to
5 do the appraisal on the property.

6 THE COURT: Okay. Have you provided all the
7 information?

8 MR. MULUGETA: Everything, yes.

9 THE COURT: When did you provide all the
10 information?

11 MR. MULUGETA: It has been on an ongoing basis.

12 THE COURT: When did you provide the last piece of
13 information?

14 MR. MULUGETA: The last one I did a month ago,
15 with Ms. Terry Owens (Phonetic) with Chase in Texas.

16 THE COURT: And did they say they're going to deal
17 with the subordinate liens? Have you talked to them about
18 who's going to deal with the subordinate liens?

19 MR. MULUGETA: You mean the second and third?

20 THE COURT: Have you talked to the first about
21 who's going to deal with the subordinate liens?

22 MR. MULUGETA: No, I didn't.

23 THE COURT: You better do that, because I don't --
24 you say you're going to apply for a mortgage modification
25 on the subordinate liens, but I'm not sure that makes any

1 sense.

2 MR. MULUGETA: No, I didn't ask. I don't know --
3 that was a mistake if I said that.

4 THE COURT: No, that's what your papers say, Mr.
5 Mulugeta.

6 MR. MULUGETA: No. I did ask Sequoia to modify
7 the loan.

8 THE COURT: Right. And so the question is, are
9 they going to even consider that or is the first going to
10 handle the situation with respect to all of the loans?

11 MR. MULUGETA: No. Because they are separate --
12 different companies.

13 THE COURT: I know they're different companies,
14 but you don't understand what I'm saying, and I'm saying
15 that the way these banks seem to operate is that whoever is
16 the first, they won't give you a modification unless they
17 have worked something out with the second and the third and
18 the fourth. They won't give you a modification. They
19 handle the negotiations with the second and the third and
20 the fourth.

21 MR. MULUGETA: This is news to me.

22 THE COURT: I understand, but I think that's what
23 you need to find out about. Now, Harrison has relief from
24 stay. Grand Avenue, you say in your Disclosure
25 Statement -- in your statement, two things. You say the

1 property has equity and it will be listed for twenty-eight,
2 ninety-five, two million, eight hundred and ninety-five.
3 Therefore, there will be money left after paying Sterling
4 Savings Bank. The current amount owed to Sterling Savings
5 Bank is \$1,619,549. Is that correct?

6 MR. GREENBERG: That is not correct, Your Honor.

7 THE COURT: Okay. Pull the mike to you.

8 MR. GREENBERG: That is not correct, Your Honor.

9 THE COURT: How much is the current owed to
10 Sterling?

11 MR. GREENBERG: The number that I have as of today
12 is \$1,916,800.

13 THE COURT: What is the current tax that's owed on
14 Sterling?

15 MR. GREENBERG: Approximately \$249,000, on the
16 Grand Avenue property.

17 THE COURT: Okay. And then what --

18 MR. GREENBERG: And I don't believe that that
19 number is in dispute. The tax number is not in dispute.

20 THE COURT: Right. The tax is how much?

21 MR. GREENBERG: 249,000.

22 THE COURT: Okay. And Sterling is owed how much?

23 MR. GREENBERG: \$1,916,800, and that's actually
24 conservatively low. There's some fees that have not been
25 included in that number, but that's the best number I could

1 get this afternoon from my client.

2 THE COURT: Okay. Are there juniors on Grand?

3 MR. MULUGETA: Yes.

4 THE COURT: How much?

5 MR. MULUGETA: There is Tomoko (Phonetic) one,
6 eighty-five, and then California Mortgage one million, but
7 five properties. It's a bridge --

8 THE COURT: It's cross-collateralized.

9 MR. MULUGETA: Cross-collateral.

10 MR. GREENBERG: And I just -- Your Honor, if I
11 could, I spoke to the attorney representing Cal Mortgage
12 this afternoon, and he confirmed that the amount is
13 approximately a million. Whether or not that number will
14 be reduced or not is a big question mark, I don't know, in
15 terms of negotiations. Yes, it's cross-collateralized, but
16 he doesn't think there's any equity in any of the other
17 properties, so he's looking at this property.

18 THE COURT: So what are you really going to do
19 with Grand, because you say:

20 "Debtors believe, however, when the Plan and
21 Disclosure Statement confirm the property is
22 essential for Debtors' reorganization, since it
23 generates rental incomes, which satisfy the
24 debt."

25 So on the one hand, you say you're going to sell

1 it; you're going to list it for sale, and on the other
2 hand, you say you don't want to sell it.

3 MR. MULUGETA: Can I answer that? I'm working
4 with the County to negotiate the \$250,000 tax. If they
5 allow me to pay 20 percent and spread the payment, then I
6 would like to keep the property. If not, I will list it
7 for sale.

8 THE COURT: And isn't there a standard situation
9 where you can pay this over a certain period of years?

10 MR. MULUGETA: Yes, with 20 percent down. I
11 talked to the County. For me that was 20 percent down.
12 They would allow me to spread the payments in five years.

13 THE COURT: So what is the issue?

14 MR. MULUGETA: The issue is for me to get the Plan
15 confirmed before I get that chance.

16 THE COURT: They won't do it unless you have the
17 Plan confirmed?

18 MR. MULUGETA: No.

19 THE COURT: Okay. You're going to submit
20 applications to employ real estate brokers to sell Chaucer,
21 Brand, and Alma.

22 MR. MULUGETA: Yes.

23 THE COURT: Okay. Is there any equity in any of
24 those for you?

25 MR. MULUGETA: Chaucer has.

1 THE COURT: How much?

2 MR. MULUGETA: Over a hundred thousand.

3 THE COURT: Okay. When are you going to employ a
4 broker?

5 MR. MULUGETA: Immediately.

6 THE COURT: Within a week.

7 MR. MULUGETA: Yes.

8 THE COURT: Okay. And you're going to -- if
9 there's no equity in Brand, why don't you let the creditor
10 repossess Brand?

11 MR. MULUGETA: Yes, I could.

12 THE COURT: So why don't you -- who is the
13 creditor on Brand?

14 MR. MULUGETA: B of A.

15 THE COURT: So why don't you just stipulate to a
16 relief from stay. Why go through the trouble of selling it
17 if there's -- there's not going to be any equity to pay a
18 broker; is there?

19 MR. MULUGETA: No.

20 THE COURT: How is the broker going to get paid?

21 MR. MULUGETA: A short sale.

22 THE COURT: Well, if the B of A wants to agree to
23 a short sale, but otherwise, maybe you should just let them
24 have relief from stay.

25 MR. MULUGETA: And Sevier (Phonetic) they agreed.

1 Sevier --

2 THE COURT: Wait.

3 MR. MULUGETA: Okay.

4 THE COURT: I'm not talking about Sevier; I'm
5 talking about Brand.

6 MR. MULUGETA: Brand, no. We didn't start.

7 THE COURT: All right. So this week, you're going
8 to talk to Brand about -- are you going to list it with a
9 broker or are you going to talk to Brand about giving them
10 relief from stay? Which?

11 MR. MULUGETA: Talking to the lender to give them
12 relief from stay.

13 THE COURT: Okay. What about Alma?

14 MR. MULUGETA: We want to keep that.

15 THE COURT: Look, Mr. Mulugeta, I'm reading
16 paragraph 4 of your statement. It came the other day,
17 December 11th.

18 "Debtors will soon submit applications to employ
19 real estate brokers to sell Chaucer, Brand and
20 Alma properties."

21 MR. MULUGETA: Okay. Sorry.

22 THE COURT: What do you mean "sorry." I don't
23 know what you're doing. You say you're going to keep Grand
24 and you're going to sell Grand. You're going to keep Alma
25 and you're going to sell Alma.

1 MR. MULUGETA: Alma, we sell it. We're going to
2 list it immediately.

3 THE COURT: But you just told me you're going to
4 keep it, a minute ago.

5 MR. MULUGETA: Because you told me to go out and
6 tell me which properties --

7 THE COURT: No, I asked you to tell me what there
8 was equity in. I didn't tell you which you were going to
9 sell, but this says we're going to sell. I'm not trying to
10 force you to sell it; I'm trying to explain to you that I
11 can't tell a thing from what you're saying because you're
12 saying inconsistent things from moment to moment. I don't
13 know what you're saying, to be honest with you.

14 MR. MULUGETA: I'm sorry, but I hope -- I'm trying
15 to be as clear as possible.

16 THE COURT: Are you selling Alma or are you
17 keeping Alma?

18 MR. MULUGETA: We're selling Alma.

19 THE COURT: When?

20 MR. MULUGETA: We're going to list it immediately.

21 THE COURT: Is there equity in Alma?

22 MR. MULUGETA: To pay the existing loans, yes.

23 THE COURT: Okay. And what's the purpose of
24 selling it? Why not stipulate to relief from stay to the
25 second? Who owns the second?

1 MR. MULUGETA: Selam Orady (Phonetic).

2 THE COURT: Does he want relief from stay?

3 MR. MULUGETA: Yeah, he will take it.

4 THE COURT: So -- I mean you can sell it if you
5 want, but why go to the trouble if you have no equity. You
6 see, you don't know what you're -- I don't know how to tell
7 you this any more. You don't have a plan. I'm not talking
8 about a Plan of Reorganization. You don't have a plan that
9 makes sense. I understand -- the only thing you seem to
10 have equity in, you may have some equity in Grand; you may
11 have some equity in Grand, and you want to keep your home,
12 but that's it. You've lost Harrison. You want to sell
13 Chaucer. You want to sell Servier (Phonetic). You want
14 to -- O'Keefe is foreclosed. You want to sell Brand. You
15 want to sell Alma. This becomes a very simple case because
16 you want to keep your home and you want to do it through a
17 mortgage modification, and you may or may not want to keep
18 Grand.

19 MR. MULUGETA: Yes. That's clear, exactly what
20 you want to do.

21 THE COURT: But why -- how many lawyers have you
22 talked to, Chapter 11 lawyers, in the last month?

23 MR. MULUGETA: We talked to Mr. Stanley --

24 THE COURT: Who's Mr. Stanley -- or Mr. Zlotoff?

25 MR. MULUGETA: Yes.

1 THE COURT: Who else?

2 MR. MULUGETA: There are a few others, mostly in
3 Oakland. We talked to a few lawyers, and they are willing
4 to help us.

5 THE COURT: Well then, why aren't they here?

6 MR. MULUGETA: Because they want me to -- the only
7 way they're going to come on board, if somebody paid them,
8 which means somebody -- either cousin or family or
9 somebody, a friend. So that's what I'm working on. And
10 Mr. Stanley said -- he will talk to me next week, because
11 he'll be out for some family visit this week. I did
12 contact several other lawyers. Some said, no, we are busy;
13 we cannot take something already started.

14 THE COURT: But you've not contacted any of the
15 San Jose lawyers.

16 MR. MULUGETA: No, I did contact Mr. Greene, but
17 he gave me a few other names. He said he's busy -- and Mr.
18 Connolly.

19 THE COURT: And what are you going to do about the
20 tax debt? That's why Mr. Voisenat didn't think you have a
21 confirmable Plan.

22 MR. MULUGETA: Which tax?

23 THE COURT: Well, you tell me.

24 MR. MULUGETA: Well, Harrison is going to be, you
25 know, taken care of by itself.

1 THE COURT: Right.

2 MR. MULUGETA: Grand, when I sell it, there's
3 money in it to pay.

4 THE COURT: Is Grand listed?

5 MR. MULUGETA: Well, I sent in the application to
6 the Court?

7 THE COURT: When?

8 MR. MULUGETA: Two days ago.

9 MR. WESOLOWSKI: And, Your Honor, I would have a
10 problem with that application.

11 THE COURT: Why?

12 MR. WESOLOWSKI: Because there's no 2014
13 disclosures. It's just not an appropriate application.

14 MR. GREENBERG: And, Your Honor, that's I think
15 the third application in the last two years for that
16 particular property.

17 Your Honor, may I be heard on this? I know it's
18 getting late.

19 THE COURT: In a minute.

20 MR. MULUGETA: Well, the only thing to do is to
21 change the application, but, you know, I have the
22 intention. I did interview an agent to list the property.
23 They did a market analysis, and they come up with the
24 price. So -- I mean, there isn't a brokerage firm who do
25 business in that neighborhood.

1 THE COURT: Go ahead.

2 MR. GREENBERG: Your Honor, I appreciate the
3 leeway that's been given to Mr. Mulugeta over the last
4 almost four years, but it's been almost four years. We
5 have a motion to dismiss or convert pending in front of
6 Your Honor. I believe that it's appropriate. I believe
7 that it has almost nothing to do with all of the issues
8 that we're talking about here today, but rather, about
9 things that have happened over the last four years, failure
10 to comply with Your Honor's own orders, five or six of
11 them, failure to make the payment on the Grand Avenue
12 taxes, failure to pay insurance premiums for a year where
13 the property was naked. There comes a point in time at
14 each one of these cases where enough is enough, and I think
15 that we've reached that point here. Your Honor has said
16 that there seems to be no plan. Well, we're talking about
17 just a general plan of, what's the Plan? He doesn't have a
18 plan let alone a confirmable Chapter 11 Plan.

19 We have a Disclosure Statement that was supposed
20 to be filed by Your Honor's own order several months ago.
21 That still hasn't been filed. We have nothing, and it's
22 been three years and nine months. My client believes
23 strongly that we've reached the point in this case where
24 our motion to dismiss should be heard and I respectfully
25 ask that you address that, Your Honor.

1 MR. MULUGETA: Can I answer? This is just, you
2 know, a classic -- they're trying to benefit for
3 themselves. The interest --

4 THE COURT: Of course that's what they want. Of
5 course. They want to get paid. They want their property
6 back.

7 MR. MULUGETA: Yeah. I have been paying adequate
8 protection. The property -- I mentioned, I attached
9 Exhibit --

10 THE COURT: Have you been paying currently?

11 MR. MULUGETA: Yes.

12 THE COURT: Is he current with his adequate
13 protection payments to you?

14 MR. GREENBERG: His November payment came in just
15 this morning. It was late. There was some --

16 THE COURT: Is he current to you?

17 MR. GREENBERG: Yes, as of this morning, but not
18 on the taxes, just on the adequate protection.

19 MR. MULUGETA: Well, the insurance is current.
20 The adequate protection I've been paying since 2009 without
21 any stop, every month. So their interest is very well
22 protected. The property has been devalued. It still has
23 equity. I've been maintaining it, with fixing the
24 property. It's in good condition. So all this -- they're
25 not hurting. If anybody would be hurt, us and the others.

1 THE COURT: Well, they're hurting if you're not
2 paying the taxes. They're hurting if you're not paying the
3 taxes.

4 MR. MULUGETA: I'm working to negotiate with the
5 County to pay the taxes, to pay that burden, but with this
6 kind of situation, it's almost impossible, 24 hours I have
7 to deal with emotion and all this kind of things. I don't
8 have the environment to focus on --

9 THE COURT: You've had years to work. You've
10 known Mr. Voisenat wanted to leave for years. You've known
11 Mr. Voisenat wanted to leave for months, and you've known
12 that he doesn't think you can confirm a Plan for a long
13 time, and you've known that you've needed a lawyer for a
14 long time, and you've known that you needed a Plan and
15 Disclosure Statement for years.

16 MR. MULUGETA: Your Honor, I don't want to speak
17 about somebody else, you know, but Mr. Voisenat knew this
18 case -- he had it for over a year and a half, and we could
19 have a confirmed Plan if he had acted on it in an early
20 stage, but I was the one working on it. But I don't want
21 to speak, you know, he's not here.

22 THE COURT: He is here. He's on the phone.

23 MR. MULUGETA: But my Plan would have been
24 confirmed if he was on top of it on day one when I retained
25 him.

1 THE COURT: So why didn't you ask him to leave and
2 hire somebody else?

3 MR. MULUGETA: I did. I did many times. I have a
4 lot of e-mail.

5 THE COURT: Why didn't you ask him to -- why
6 didn't you fire him and hire somebody else?

7 MR. MULUGETA: I wish I did, but it's hindsight.
8 I was hoping, you know -- but --

9 THE COURT: Look --

10 MR. GREENBERG: And, Your Honor --

11 MR. MULUGETA: Okay, Your Honor, can I ask, could
12 you give me two months to clean all these things; if not,
13 you can do whatever you decide. I'm just --

14 THE COURT: I'll tell you what I'll do. I'll tell
15 you what I'll do. December --

16 MR. GREENBERG: Your Honor, if you could take one
17 more thing into account, which is very important. Cash
18 collateral, there has been no segregation of funds with
19 regard to Grand Avenue. Cash comes in; cash goes out; we
20 have no idea how much comes in; we have no idea how much
21 comes out. And of course that results in a \$250,000 real
22 estate tax bill. And it's been three years and nine months
23 with no cash collateral order. And in fact, that is in
24 contravention to Your Honor's order for them to re-file
25 another cash collateral motion, which they haven't done.

1 THE COURT: I understand. The case is dismissed
2 effective February 15 -- dismissed February 15. In the
3 meantime, if you want to hire another lawyer and the lawyer
4 wants to file a motion before me to reconsider that, fine,
5 based on facts, based on things that can be done. But
6 without any further order of the Court, the case is
7 dismissed February 15, 2013. With respect to Mr. Voisenat,
8 you want him replaced, and Mr. Voisenat has filed a motion
9 to excuse himself from representing you further and so I
10 should grant that motion. And so all papers should be
11 filed on you not on Mr. Voisenat.

12 In looking at this situation, Mr. Mulugeta, it
13 looks to me like you want to sell Chaucer; you want to sell
14 Servier; you want to -- O'Keefe is foreclosed; you want to
15 sell Brand; you want to sell Alma. There's really probably
16 not much money in any -- maybe a little money in Chaucer,
17 and I don't know what the actual debt figure is in Chaucer,
18 but there may be some equity in Chaucer, and then there may
19 be some equity in Grand. If you're going to sell it, fine.
20 If you're not going to sell it -- in the meantime, if you
21 want to file appropriate papers to hire brokers and sell
22 these properties, fine. Do whatever it is. You're still
23 in bankruptcy until February 15. Your case is dismissed as
24 of that date. The U.S. Trustee should submit an order
25 dismissing the case as of February 15, and if you seek me

1 to reconsider that, then you better be current on Grand;
2 you better have a deal with the tax authorities; you better
3 have a lawyer; you better have a plan -- not necessarily a
4 formal Plan and Disclosure Statement, but a plan in writing
5 that we understand that deals with all of these properties
6 and you better be up and running. I'm not -- that's the
7 end, Mr. Mulugeta. It's now going to be dismissed and
8 it'll be up to you, if you can convince me that I should
9 change that order, and the only way that you're going to
10 have a chance is if you have a competent, experienced
11 Chapter 11 lawyer who says that he thinks you can -- or she
12 thinks you can confirm a Plan, explains why, and all of
13 these ducks are in a row.

14 Thank you. Court is adjourned.

15 MR. MULUGETA: Can I say one -- ask one --

16 THE COURT: Sure.

17 MR. MULUGETA: So we are protected til February
18 15?

19 THE COURT: You're protected in the sense that you
20 have a bankruptcy case, yes.

21 MR. WESOLOWSKI: And, Your Honor, becoming current
22 on all these things, he also would need to be current on
23 monthly operating reports?

24 THE COURT: Absolutely. The monthly operating
25 reports are critical. The U.S. Trustee's fees are

1 critical. It's all critical. A Plan would deal with the
2 taxes. It's all critical, but don't wait til the last
3 second.

4 MR. MULUGETA: Thank you, Your Honor.

5 MR. GREENBERG: Thank you, Your Honor.

6 THE COURT: Thank you. Court is adjourned.

7 COUNSEL ON THE PHONE: Thank you, Your Honor.

8 (Whereupon, the proceedings are concluded at 5:05
9 p.m.)

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5 CERTIFICATE OF TRANSCRIBER
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8 I certify that the foregoing is a correct
9 transcript from the digital sound recording of the
10 proceedings in the above-entitled matter.

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12 DATED: January 6, 2013
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14 By: /s/ Jo McCall
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